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## Special Analysis

INDIA:

### Handling of the Spy Scandal

*Prime Minister Gandhi's low-key, nonconfrontational style appears to have put France and the USSR on the defensive about their complicity in buying secrets without spoiling chances for constructive relations. Nor has he made any public statements alluding to the US meddling in Indian affairs—*

The Indians, who value French technology sales, allowed France to recall its ambassador and defense attache promptly and have since maintained a discreet silence about the scandal. During the same period, India took delivery of its first two Mirage 2000 fighters on schedule, and the French now believe the flap will have only a short-term psychological impact on commercial and military sales to India. In the meantime, they are trying to help sales by offering new and better terms on a pending contract.

### Soviet Involvement

The investigation into Soviet and East European complicity—which has uncovered two separate spy rings—also has been handled quietly. On the one hand, New Delhi has done nothing to rein in press allegations of Soviet involvement. On the other, it does not appear to have filed a formal protest with the Soviets. Gandhi probably expects that, by leaving Moscow under a cloud of suspicion, he demonstrates his displeasure without jeopardizing New Delhi's prime source of military technology.

The Prime Minister also calculates that including the Soviets in the spy scandal at least temporarily will derail their campaign against his efforts to widen contacts with the West.

### Corrective Actions

Gandhi almost has certainly ordered a wide-ranging review of government security practices following recent lapses. At the same time, however, his media-wise advisers have capitalized on Indian press enthusiasm for the scandal to launch a "clean government"

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attack on graft. [REDACTED]

The Prime Minister has announced new appointments to top civil service positions and changed the assignments of dozens of senior bureaucrats. These moves had been expected after his election victory, but they have been given additional impetus with the questioning of some 1,500 civil servants about the spy scandal. Gandhi is quoted in the Indian press as having said, "The buck must be stopped somewhere and, if it happens in a particular office, that officer must feel he is responsible." [REDACTED]

### **New Diplomacy**

Rajiv Gandhi's evenhanded and discreet management of the scandal is another sign that he is moving the conduct of Indian foreign policy away from his mother's often abrasive and one-sided public diplomacy. Indira Gandhi's style was to berate the West while excusing Moscow. It also reinforces the impression that Rajiv Gandhi prefers nonconfrontational diplomacy. [REDACTED]

Pakistani and Sri Lankan officials will have been particularly attentive watchers of Gandhi's East-West balancing act. They probably hope he will bring a similar low-key style to bear on relations with them. [REDACTED]

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